

106TH CONGRESS
1ST SESSION

H.R. 1998

To amend title XVIII of the Social Security Act to promote the coverage of frail elderly Medicare beneficiaries permanently residing in nursing facilities in specialized health insurance programs for the frail elderly.

IN THE HOUSE OF REPRESENTATIVES

MAY 27, 1999

Mr. RAMSTAD (for himself and Mr. CARDIN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to promote the coverage of frail elderly Medicare beneficiaries permanently residing in nursing facilities in specialized health insurance programs for the frail elderly.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Medicare's Elderly Re-
5 ceiving Innovative Treatments (MERIT) Act of 1999".

1 SEC. 2. MODIFICATION OF PAYMENT RULES.

2 Section 1853 of the Social Security Act (42 U.S.C.
3 1395w-23) is amended—

4 (1) in subsection (a)(1)(A), by striking “sub-
5 sections (e) and (f)” and inserting “subsections (e)
6 through (i);”

7 (2) in subsection (a)(3)(D), by inserting “and
8 paragraph (4)” after “section 1859(e)(4); and

9 (3) by adding at the end of subsection (a) the
10 following new paragraph:

11 “(4) EXEMPTION FROM RISK-ADJUSTMENT SYS-
12 TEM FOR FRAIL ELDERLY BENEFICIARIES EN-
13 ROLLED IN SPECIALIZED PROGRAMS FOR THE FRAIL
14 ELDERLY.—

15 “(A) IN GENERAL.—During the period de-
16 scribed in subparagraph (B), the risk-adjust-
17 ment described in paragraph (3) shall not apply
18 to a frail elderly Medicare+Choice beneficiary
19 (as defined in subsection (i)(3)) who is enrolled
20 in a Medicare+Choice plan under a specialized
21 program for the frail elderly (as defined in sub-
22 section (i)(2)).

23 “(B) PERIOD OF APPLICATION.—The pe-
24 riod described in this subparagraph begins with
25 January 2000 and ends with the first month
26 for which the Secretary certifies to Congress

1 that a comprehensive risk adjustment method-
2 ology under paragraph (3)(C) (that takes into
3 account the types of factors described in sub-
4 section (i)(1)) is being fully implemented.”; and
5 (4) by adding at the end the following new sub-
6 section:

7 “(i) SPECIAL RULES FOR FRAIL ELDERLY EN-
8 ROLLED IN SPECIALIZED PROGRAMS FOR THE FRAIL EL-
9 DERLY.—

10 “(1) DEVELOPMENT AND IMPLEMENTATION OF
11 NEW PAYMENT SYSTEM.—The Secretary shall de-
12 velop and implement (as soon as possible after the
13 date of the enactment of this subsection), during the
14 period described in subsection (a)(4)(B), a payment
15 methodology for frail elderly Medicare+Choice bene-
16 ficiaries enrolled in a Medicare+Choice plan under
17 a specialized program for the frail elderly (as defined
18 in paragraph (2)(A)). Such methodology shall ac-
19 count for the prevalence, mix, and severity of chronic
20 conditions among such beneficiaries and shall in-
21 clude medical diagnostic factors from all provider
22 settings (including hospital and nursing facility set-
23 tings). It shall include functional indicators of health
24 status and such other factors as may be necessary

1 to achieve appropriate payments for plans serving
2 such beneficiaries.

3 “(2) SPECIALIZED PROGRAM FOR THE FRAIL
4 ELDERLY DESCRIBED.—

5 “(A) IN GENERAL.—For purposes of this
6 part, the term ‘specialized program for the frail
7 elderly’ means a program which the Secretary
8 determines—

9 “(i) if offered under this part as a
10 distinct part of a Medicare+Choice plan;

11 “(ii) primarily enrolls frail elderly
12 Medicare+Choice beneficiaries; and

13 “(iii) has a clinical delivery system
14 that is specifically designed to serve the
15 special needs of such beneficiaries and to
16 coordinate short-term and long-term care
17 for such beneficiaries through the use of a
18 team described in subparagraph (B) and
19 through the provision of primary care serv-
20 ices to such beneficiaries by means of such
21 a team at the nursing facility involved.

22 “(B) SPECIALIZED TEAM.—A team de-
23 scribed in this subparagraph—

24 “(i) includes—

25 “(I) a physician, and

1 “(II) a nurse practitioner or geri-
2 atric care manager, or both; and

3 “(ii) has as members individuals who
4 have special training and specialize in the
5 care and management of the frail elderly
6 beneficiaries.

7 “(3) FRAIL ELDERLY MEDICARE+CHOICE BEN-
8 EFICIARY DESCRIBED.—For purposes of this part,
9 the term ‘frail elderly Medicare+Choice beneficiary’
10 means a Medicare+Choice eligible individual who—

11 “(A) is residing in a skilled nursing facility
12 or a nursing facility (as defined for purposes of
13 title XIX) for an indefinite period and without
14 any intention of residing outside the facility;
15 and

16 “(B) has a severity of condition that
17 makes the individual frail (as determined under
18 guidelines approved by the Secretary).”.

19 **SEC. 3. CONTINUOUS OPEN ENROLLMENT FOR QUALIFIED
20 INDIVIDUALS.**

21 (a) IN GENERAL.—Section 1851(e) of the Social Se-
22 curity Act (42 U.S.C. 1395w–21(e)) is amended by adding
23 at the end the following new paragraph:

24 “(7) SPECIAL RULES FOR FRAIL ELDERLY
25 MEDICARE+CHOICE BENEFICIARIES ENROLLING IN

1 SPECIALIZED PROGRAMS FOR THE FRAIL ELDER-
2 LY.—There shall be a continuous open enrollment
3 period for any frail elderly Medicare+Choice bene-
4 ficiary (as defined in section 1853(i)(3)) who is
5 seeking to enroll in a Medicare+Choice plan under
6 a specialized program for the frail elderly (as defined
7 in section 1853(i)(2)).”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) takes effect on the date of the enactment
10 of this Act.

11 SEC. 4. DEVELOPMENT OF QUALITY MEASUREMENT PRO- 12 GRAM.

13 (a) IN GENERAL.—Section 1852(e) of the Social Se-
14 curity Act (42 U.S.C. 1395w–22(e)) is amended by adding
15 at the end the following new paragraph:

16 “(5) QUALITY MEASUREMENT PROGRAM FOR
17 SPECIALIZED PROGRAMS FOR THE FRAIL ELDERLY
18 AS PART OF MEDICARE+CHOICE PLANS.—The Sec-
19 retary shall develop and implement a program to
20 measure the quality of care provided in specialized
21 programs for the frail elderly (as defined in section
22 1853(i)(2)) in order to reflect the unique health as-
23 pects and needs of frail elderly Medicare+Choice
24 beneficiaries (as defined in section 1853(i)(3)). Such
25 quality measurements may include indicators of the

1 prevalence of pressure sores, reduction of iatrogenic
2 disease, use of urinary catheters, use of anti-anxiety
3 medications, use of advance directives, incidence of
4 pneumonia, and incidence of congestive heart fail-
5 ure.”.

6 (b) EFFECTIVE DATE.—The Secretary of Health and
7 Human Services shall first provide for the implementation
8 of the quality measurement program for specialized pro-
9 grams for the frail elderly under the amendment made by
10 subsection (a) by not later than July 1, 2000.



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